

## Promotional Lift from Marlboro Money Off Promotions In Wal\*Mart

	<u>Total Industry</u>	<u>Total Philip Morris</u>	<u>Total Marlboro</u>
Volume Lift	7.3%	9.8%	13.4%
90% Confidence Level	6.5% - 8.2%	8.9% - 10.8%	12.3% - 14.6%
Base Volume Level (CPW)	550	367	251
Avg Volume Lift (CPW)	40	36	34
Share Lift		1.53	2.66
90% Confidence Level		1.49 - 1.57 pts	2.55 - 2.74 pts
Base Share Level		66.97	45.75

*\*Lift represents incremental volume during store weeks with money off*

*The model controls for store effects, trend and seasonality*

All estimates are significant at the .01 level, and obtained an R2 of at least .95

Data includes 35 weeks from 1/4/97 through 8/30/97

2071836262

ACNielsen Analytics

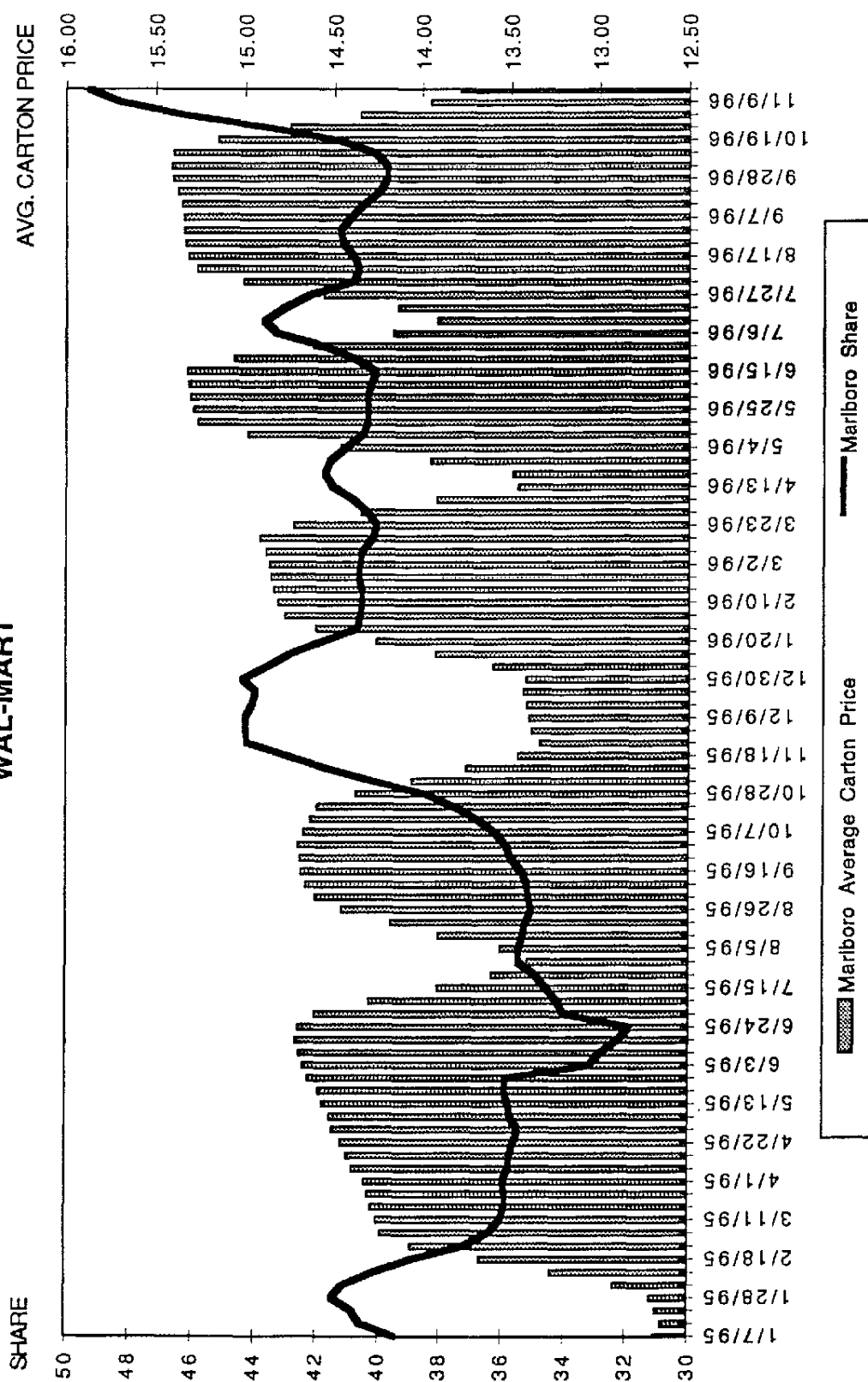
# Wal-Mart Price Promotions

## **FINDINGS**

The following summarizes general relationships between price promotion and volume/share response in Wal-Mart stores:

- Both Marlboro's and Basic's share performance appears highly responsive to changes in their carton prices.
  - A decrease of \$1.50 in Marlboro's average carton price is predicted to result in a +3.9 point increase in Marlboro's share.
  - A decrease of \$1.50 in Basic's average carton price is predicted to result in a +1.0 point increase in Basic's share.
- During periods of Marlboro price promotion, total Wal-Mart cigarette volume appears to strengthen (suggesting volume shifting from other retailers/trade classes). A decrease of \$1.50 in Marlboro's average carton price is predicted to result in an +8.0% increase in total industry volume. Note, this relationship does not control for seasonality or competitive effects.
- No strong response (positive or negative) was evident in total industry volume during periods of Basic only price promotion.
- Total industry volume (in the Mass Merchandiser trade class) appears to respond similarly during periods of Marlboro/Basic price promotion only and Marlboro/Basic with major RJR brands.

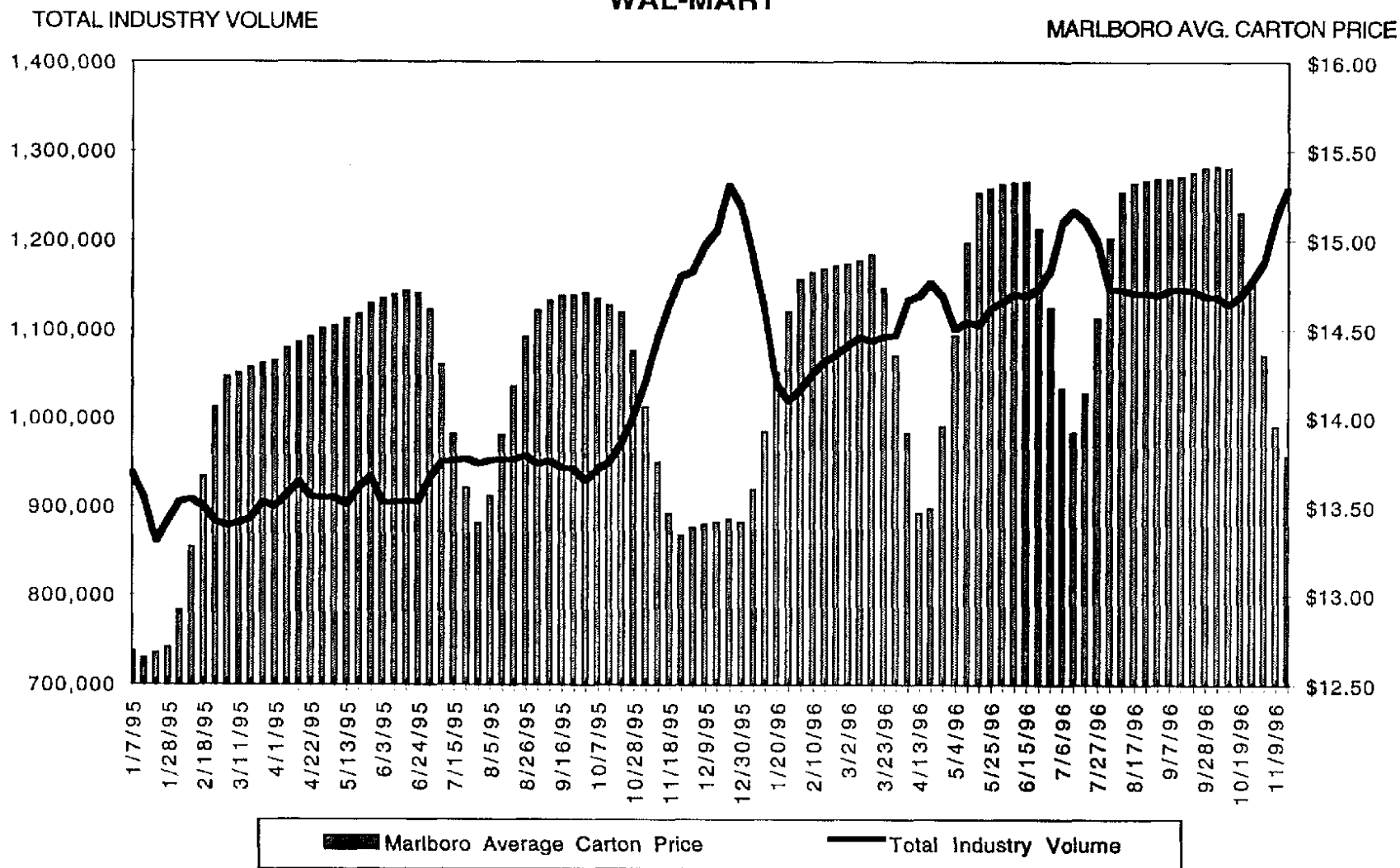
2071836263

**MARLBORO  
WAL-MART**

Source: Nielsen (4wk)

2071836264

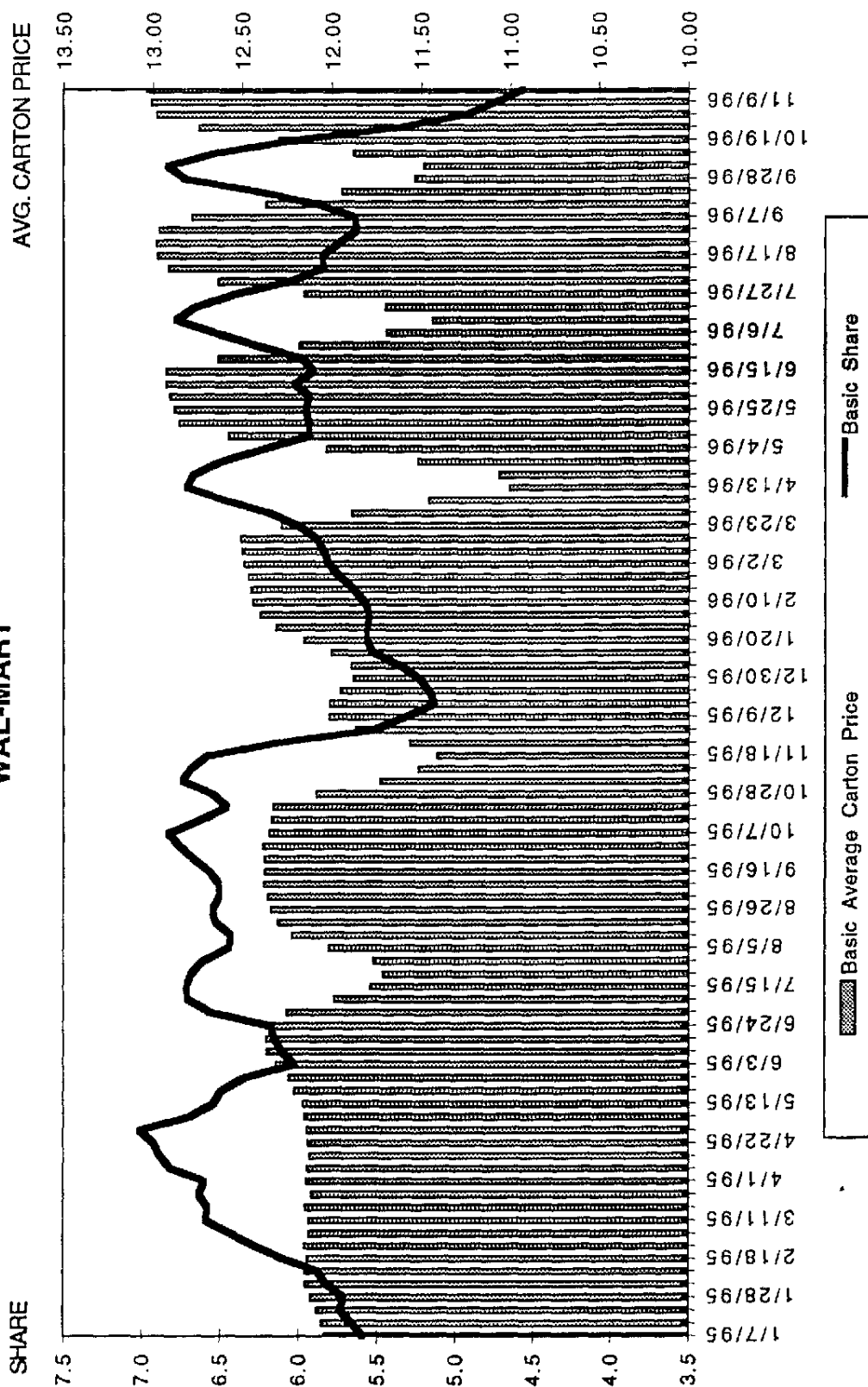
# MARLBORO AVG. CARTON PRICE & TOTAL INDUSTRY VOLUME WAL-MART



Source: Nielsen (4wk)

2071836265

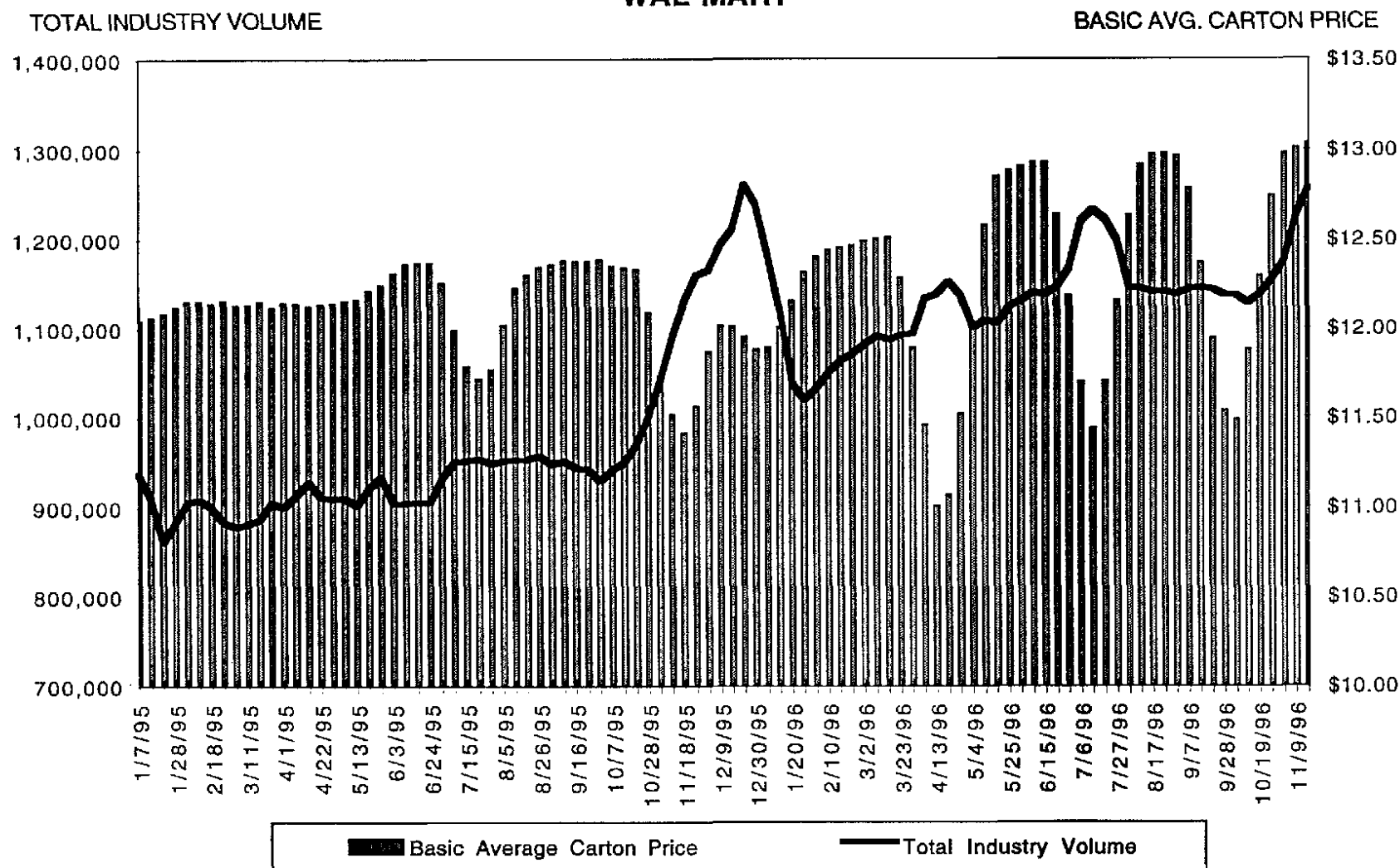
# **BASIC WAL-MART**



Source: Nielsen (4wk)

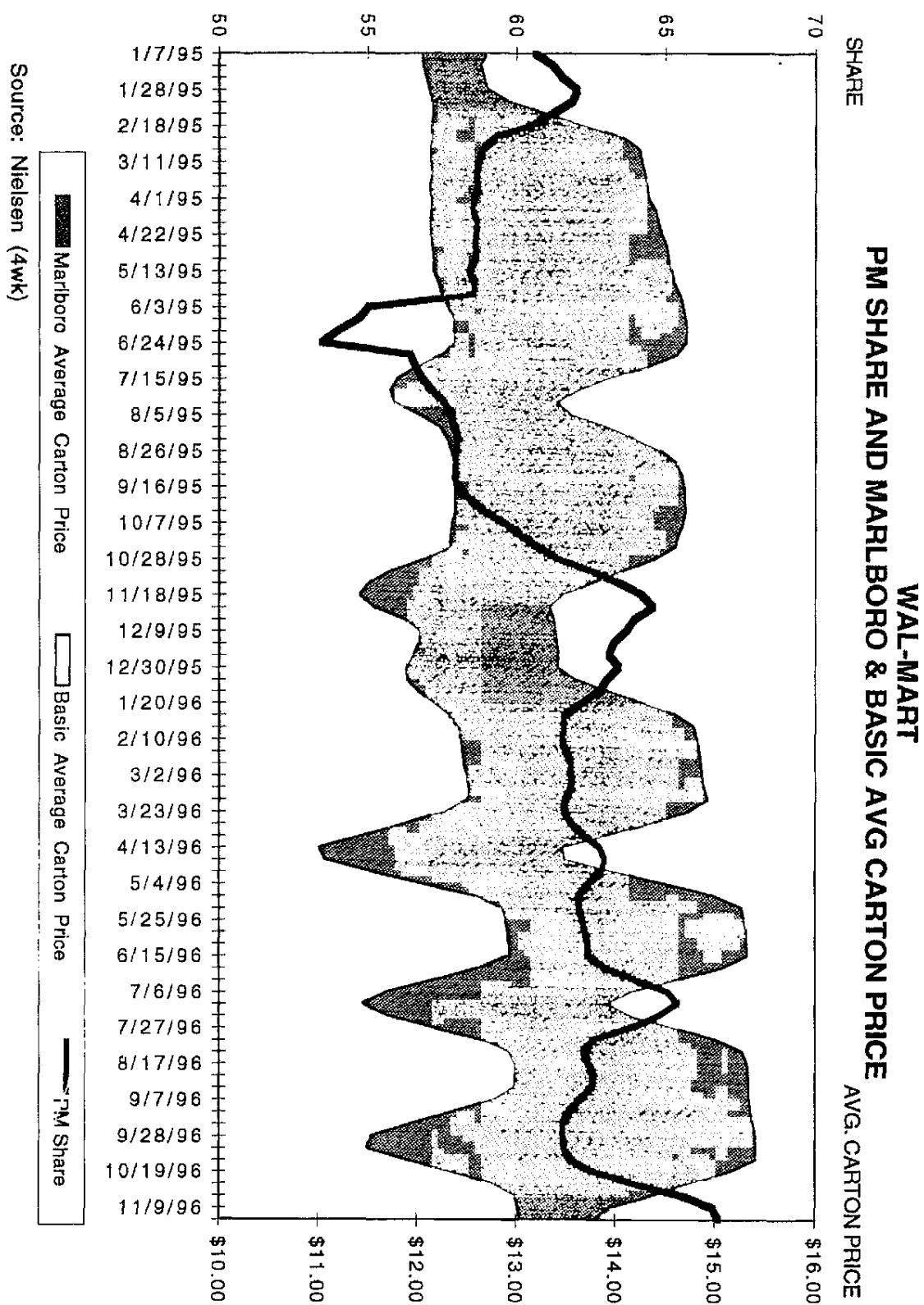
2071836266

# **BASIC AVG. CARTON PRICE & TOTAL INDUSTRY VOLUME WAL-MART**



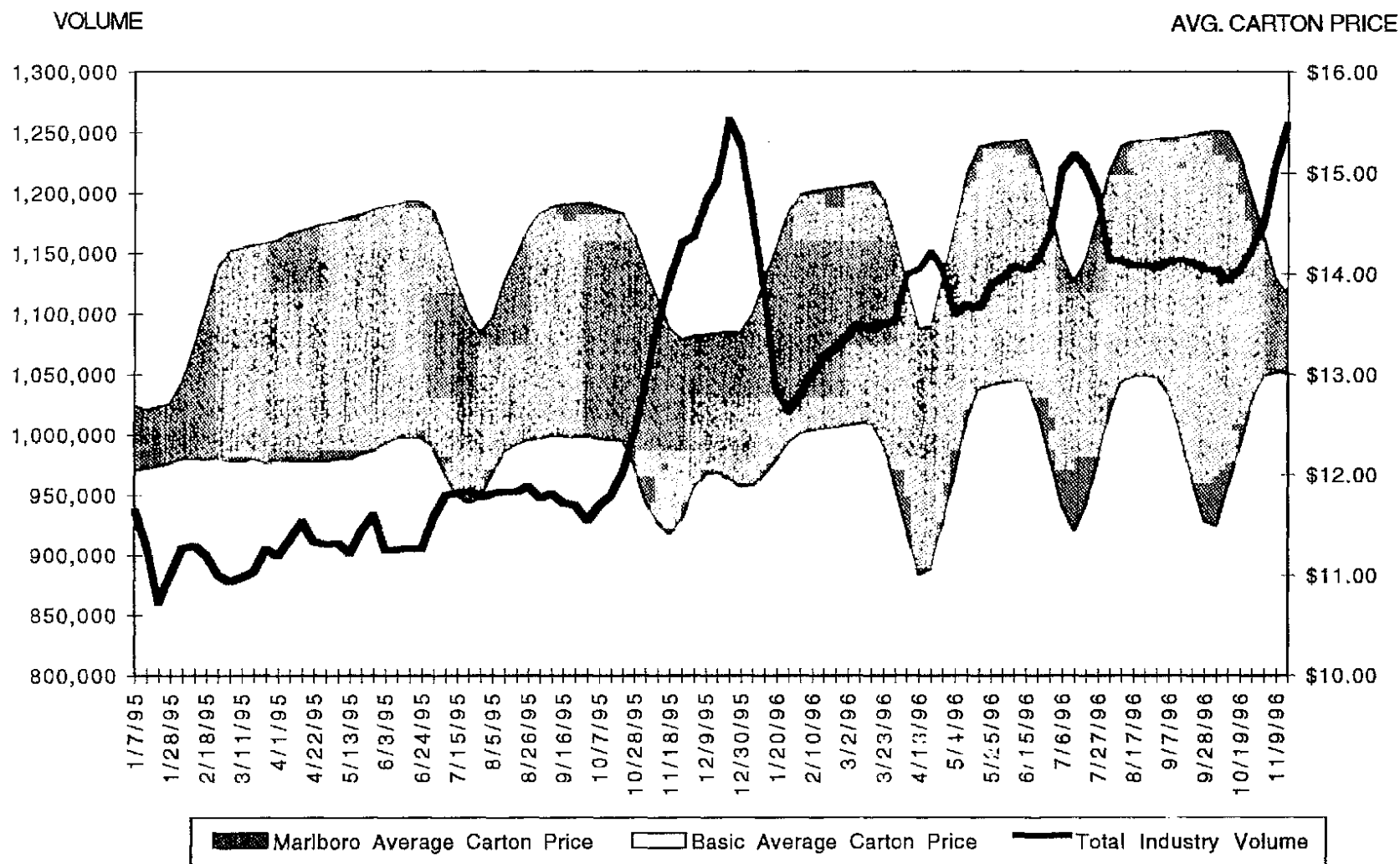
Source: Nielsen (4wk)

2071836267



2071836268

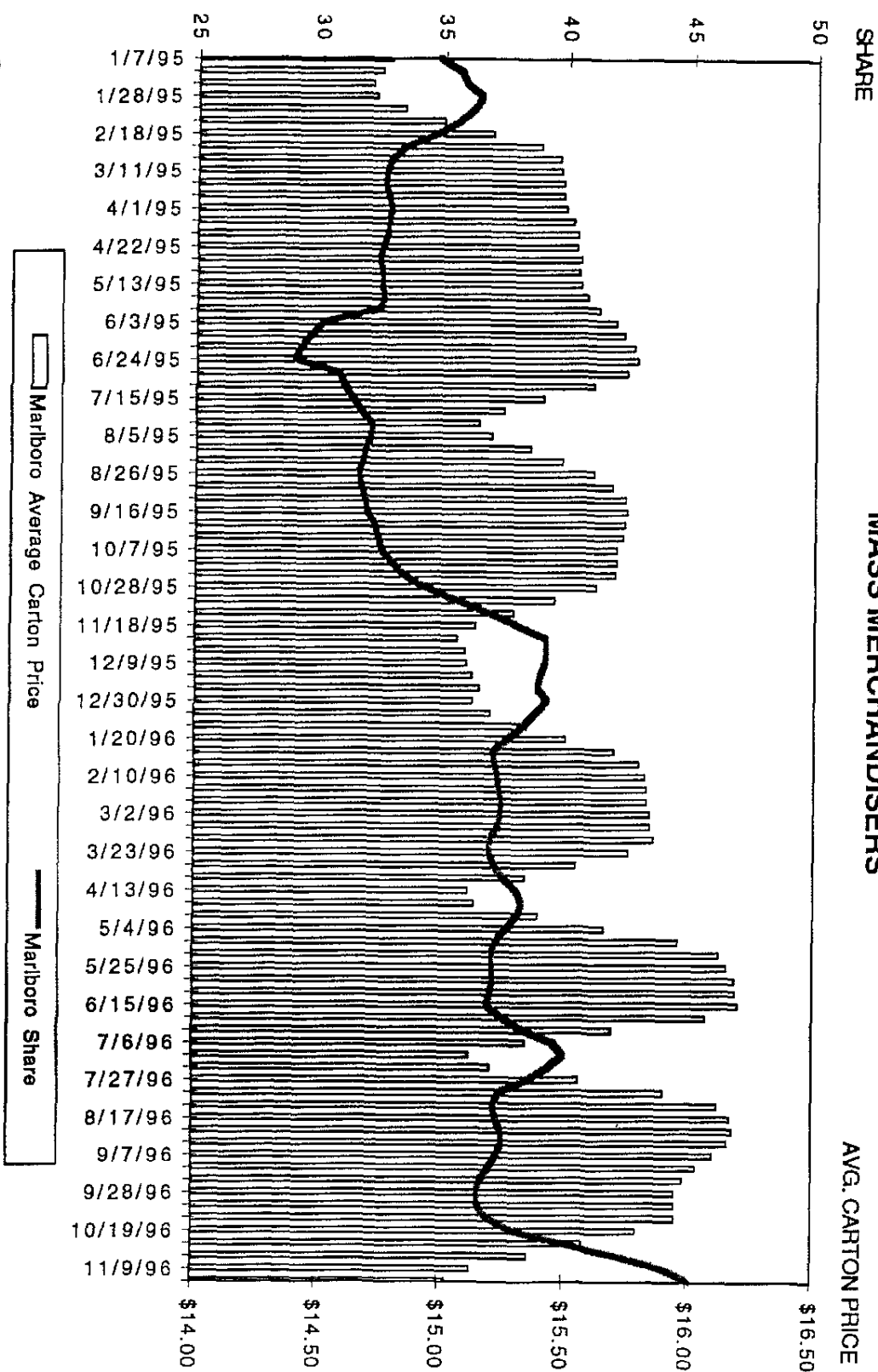
**WAL-MART**  
**INDUSTRY VOLUME AND MARLBORO & BASIC AVG CARTON PRICE**



Source: Nielsen (4wk)

69Z938170Z

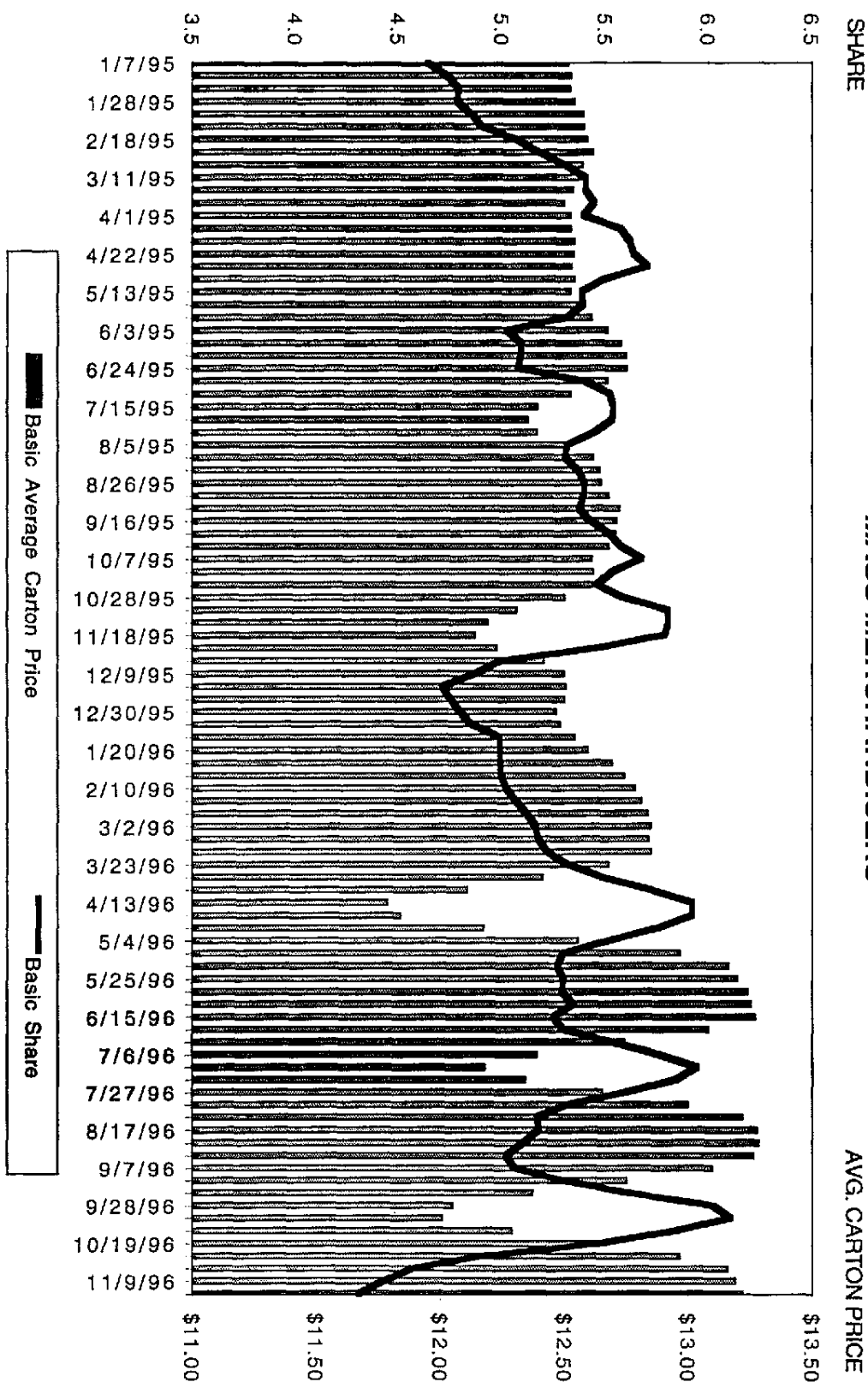


**MARLBORO  
MASS MERCHANDISERS**

Source: Nielsen (4wk)

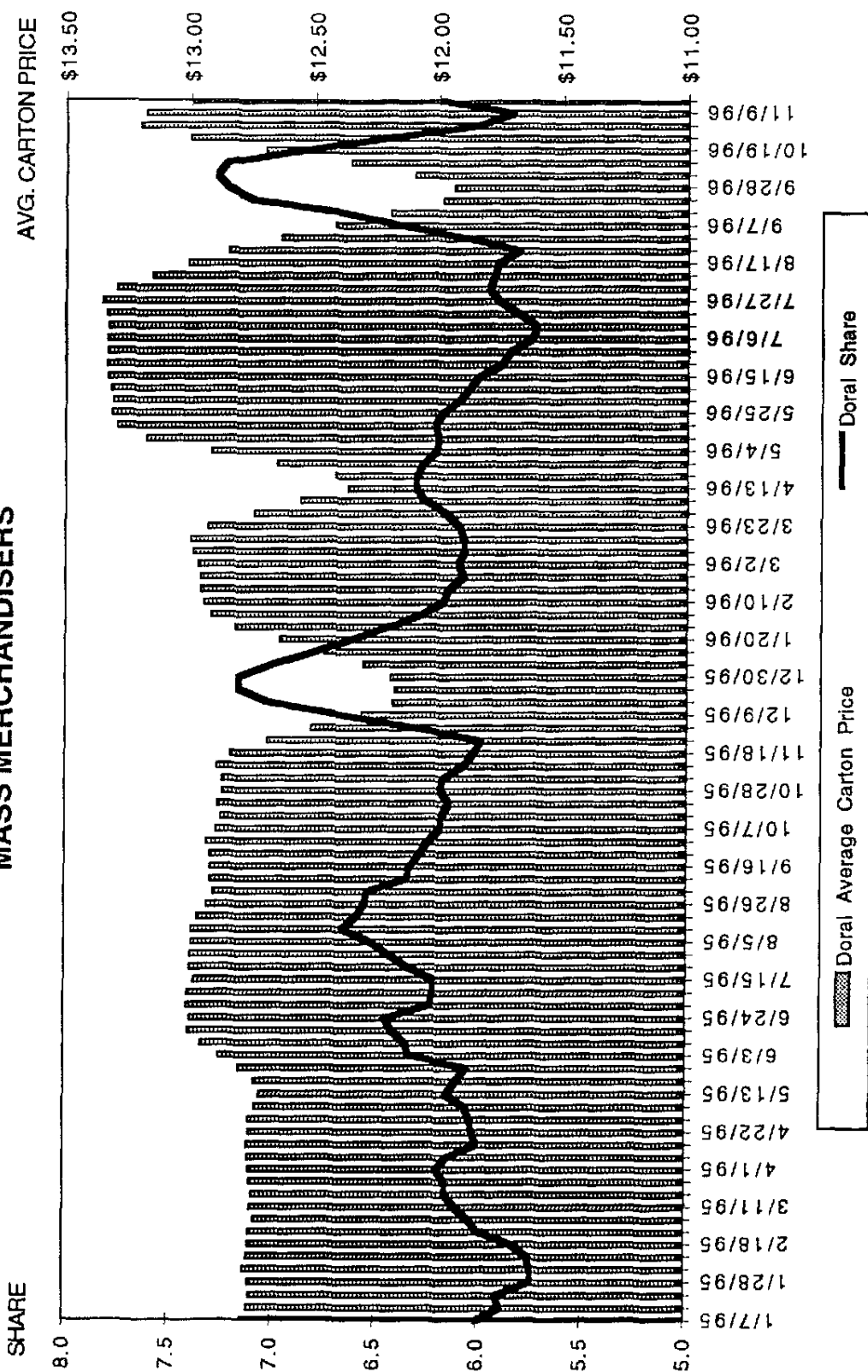
029381202

# **BASIC MASS MERCHANDISERS**



Source: Nielsen (4wk)

1L2Z681L02

**DORAL  
MASS MERCHANDISERS**

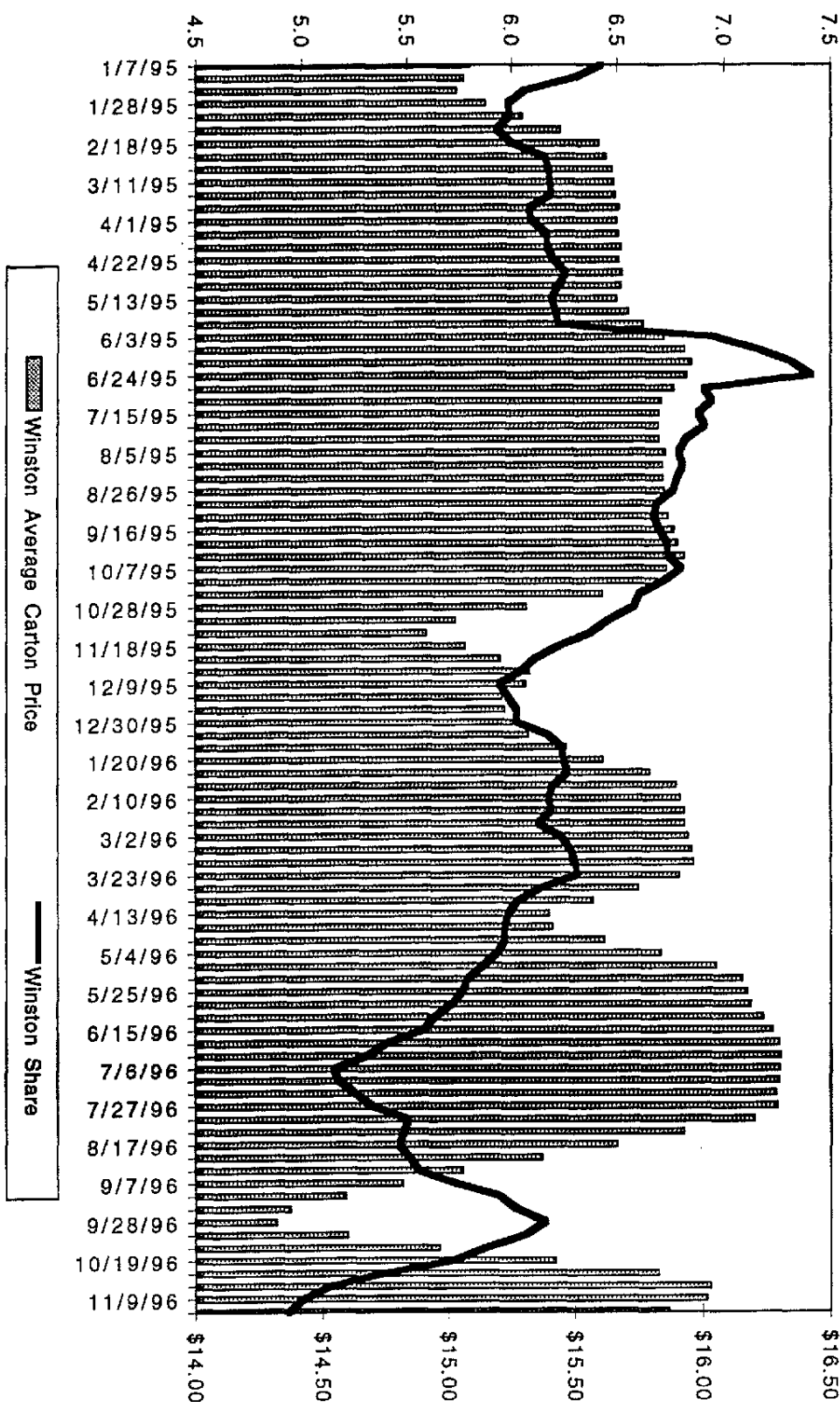
Source: Nielsen (4wk)

2071836272

SHARE

WINSTON  
MASS MERCHANDISERS

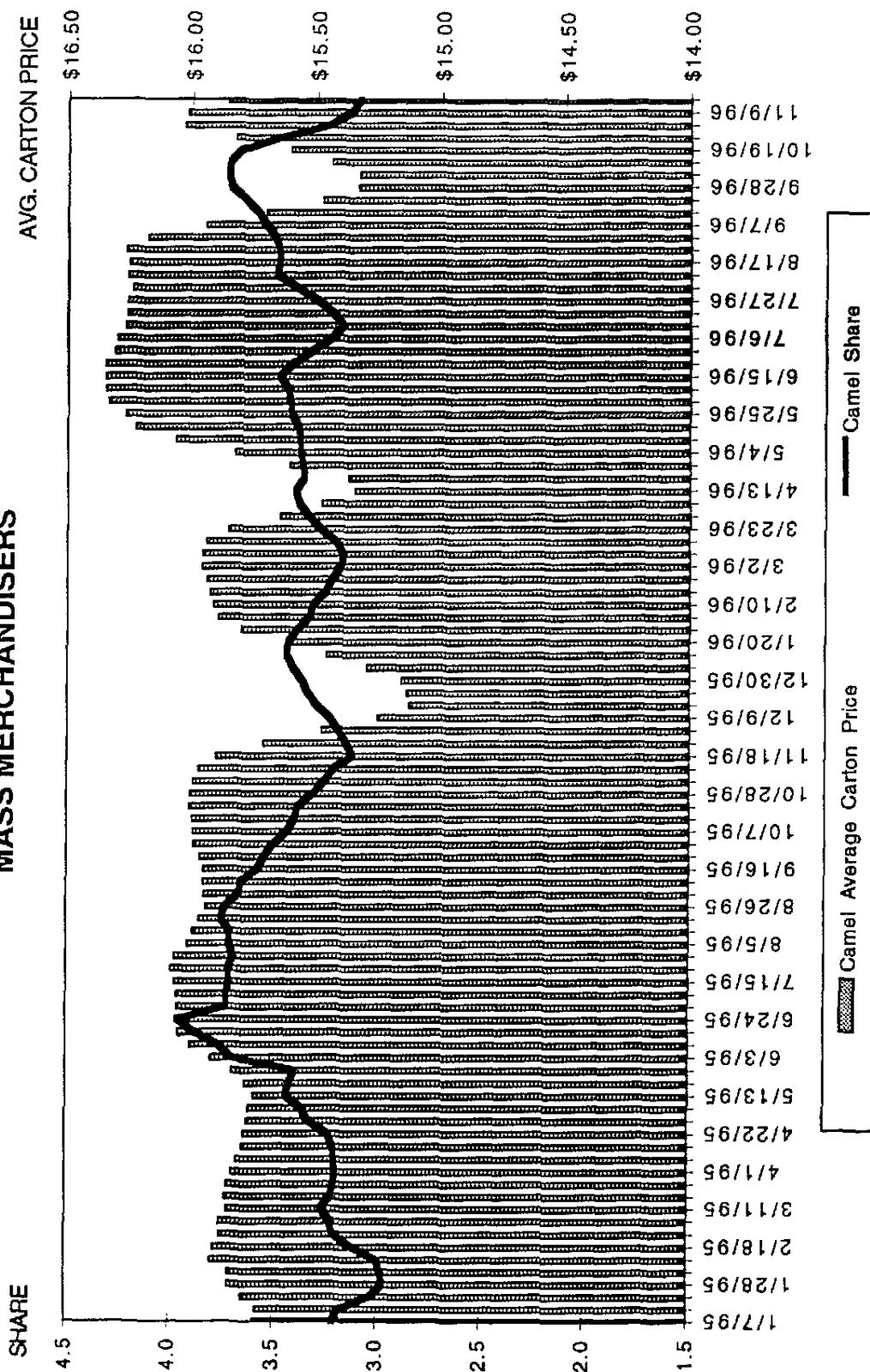
AVG. CARTON PRICE



Source: Nielsen (4wk)

2071836273

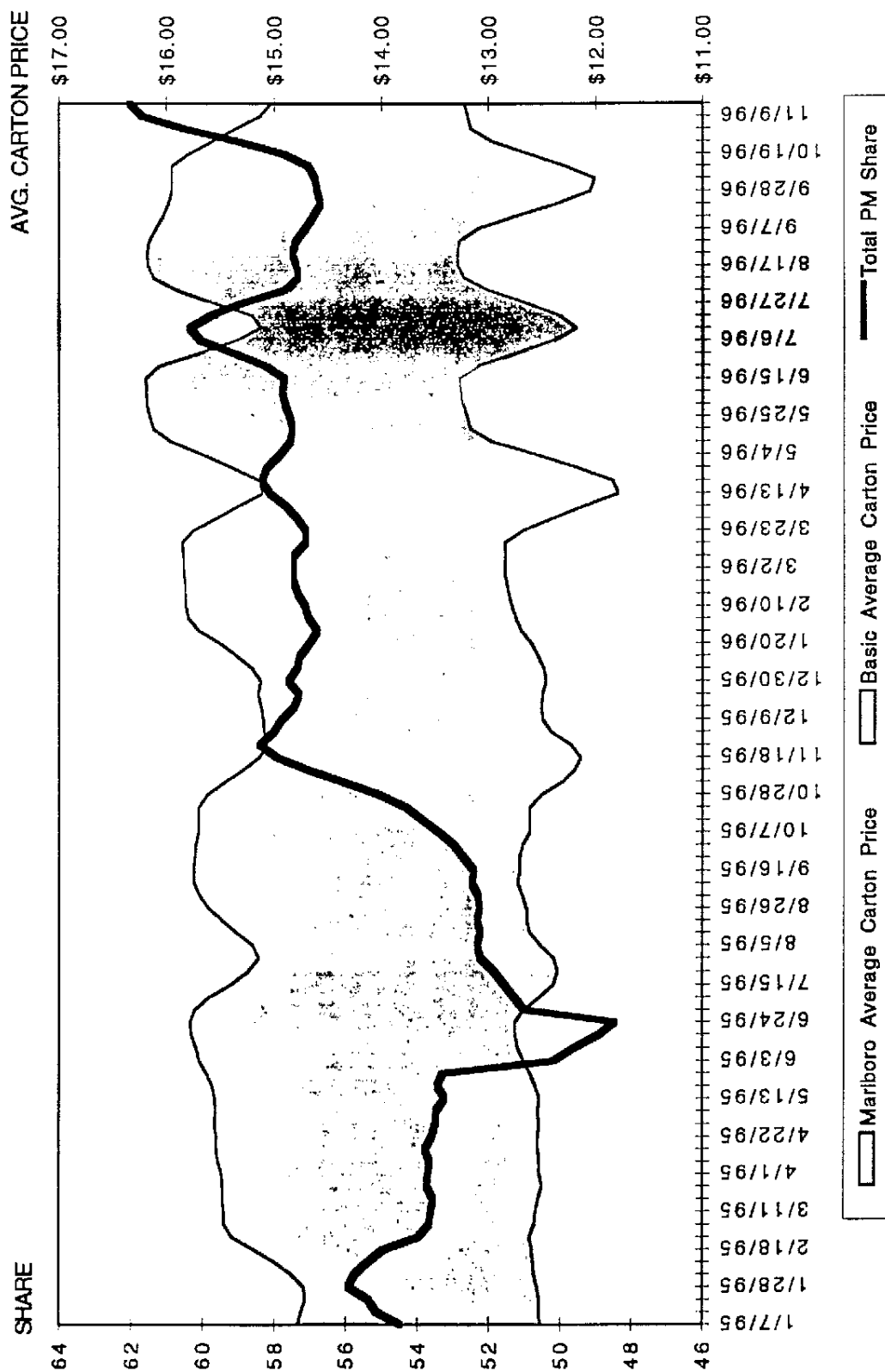
# **CAMEL MASS MERCHANDISERS**



Source: Nielsen (4wk)

2071836274

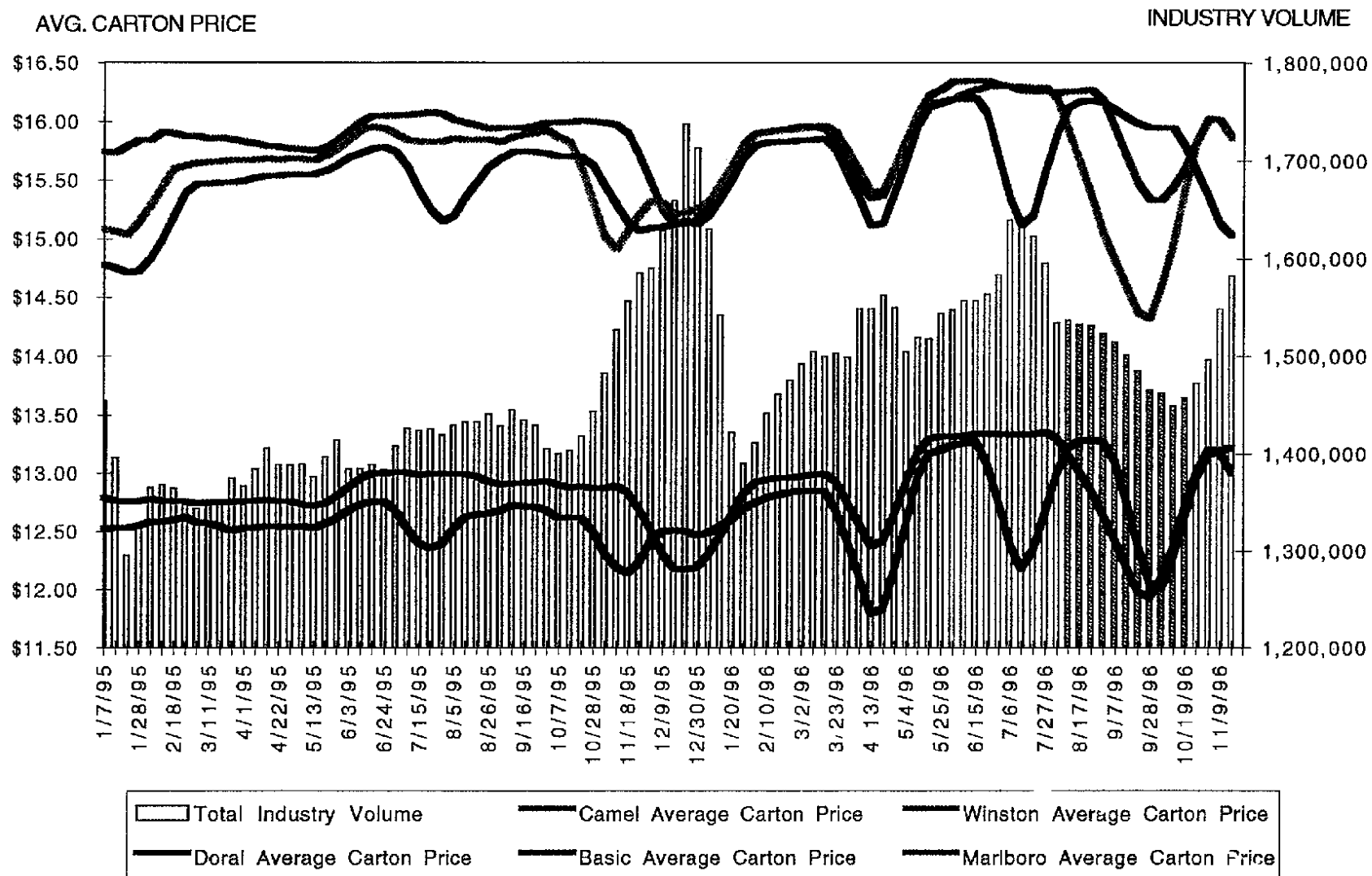
## MASS MERCHANDISERS



Source: Nielsen (4wk)

2071836275

# **MASS MERCHANDISERS AVG. CARTON PRICES AND TOTAL INDUSTRY VOLUME**



2071836276